

SENATE BILL 286  
By Clabough

AN ACT to create the Tennessee tourism authority; to provide for the authority's powers, duties and responsibilities; to provide for its organization and administration; to transfer certain existing functions and programs to the authority; to amend Tennessee Code Annotated, Section 4-3-2207; and to repeal Tennessee Code Annotated, Sections 4-3-2201 — 4-3-2206, inclusive, and 4-3-2208.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1.

(a) There is hereby created the Tennessee tourism authority, the governing body of which shall be a seven (7) member board of directors and the chief administrator of which shall be the chief executive officer.

(b) It is the declared mission of the authority to market the state as a travel destination and promote the state image. The goals of the authority include increasing the revenues of Tennessee's travel industry, generating additional tax revenues for the state, and developing the self-sufficiency of the authority through revenue producing services.

SECTION 2. The board of directors shall be composed of the comptroller of the treasury or the comptroller's designee, the commissioner of finance and administration or the commissioner's designee, the designee of the Tennessee Association of Conventions and

Visitor Bureaus, the designee of the Tennessee Tourism Roundtable, the designee of the Tennessee Restaurant Association, the designee of the Tennessee Hotel and Motel Association, and the designee of the Tennessee Attractions Coalition.

SECTION 3. The directors shall receive no compensation for their services as members of the board except they shall be paid actual and necessary travel expenses for attending to authority business as approved by the chair. All reimbursement for travel expenses shall be in accordance with the comprehensive travel regulations promulgated by the department of finance and administration and approved by the attorney general and reporter.

SECTION 4. The board of directors shall elect a chair, a vice chair, and secretary. The secretary need not be a board member. The officers shall be elected for one (1) year terms and may be re-elected thereafter. The board shall meet quarterly and may hold additional meetings as called by the chair. Four (4) members of the board shall constitute a quorum.

#### SECTION 5.

(a) The board shall adopt performance goals for the authority and review them annually.

(b) The board may establish a revolving fund for the deposit of revenues derived from the activities of the authority. The revolving fund shall supplement the authority's base budget and be used in the sound judgment of the board as needed to achieve the authority's declared goals and objectives consistent with the stated mission and prudent business practices.

(c) Any excess funds, including any interest on deposits, contained in the revolving fund account at the end of the fiscal year shall be rolled over to the succeeding fiscal year and continue to be earmarked for the purposes and uses described in this section, and shall not be diverted to any other public fund.

SECTION 6. The chief administrative officer of the authority shall be the chief executive officer. The chief executive officer shall be appointed by the governor for a five (5) year term

and may be re-appointed thereafter. The governor shall, upon the advice of the commissioner of personnel, set the salary range of the chief executive officer at a level not to exceed that of a Class 2 official as provided in Section 8-23-101. The chief executive officer shall be entitled to all state benefits accorded departmental commissioners.

SECTION 7. It is the responsibility of the chief executive officer to propose the annual budget and the annual marketing plan and submit each to the board for its approval.

SECTION 8. Employees of the authority shall be appointed to their respective positions by the chief executive officer, shall serve at Chief Executive Officer's pleasure, and shall be executive service rather than civil service employees. All employees shall be entitled to all state benefits accorded state employees. All employees shall be reimbursed for any necessary travel approved by the chief executive officer in accordance with the comprehensive travel regulations promulgated by the department of finance and administration and approved by the attorney general and reporter. Compensation of authority employees shall be consistent with the compensation plan formulated by the chief executive officer with the advice of the commissioner of personnel and as approved by the authority's board of directors. Compensation shall be comparable, within the budgetary limits of the authority, to equivalent positions in the private sector. Employees shall be qualified by education and experience to fill the position to which they are assigned.

#### SECTION 9.

The initial organization of the authority shall consist of the following divisions all under the control of the chief executive officer:

- (i) Marketing;
- (ii) Communications;
- (iii) Heritage and community development;
- (iv) Regional grants administration;
- (v) Administrative services; and

(vi) Business development.

Employees of the department of tourist development may be considered for appointment to positions in the authority.

SECTION 10. To the extent necessary to attain its goals and objectives, the authority shall be exempt from rules and regulations of the department of general services and other such rules and regulations as would otherwise limit the use of outside resources and extended term, multi-year purchase agreements. The foregoing exemption expressly includes the "request for proposal" process. To exercise an exemption from applicable rules and regulations, the board must make an express finding that the exemption is needed to attain one (1) or more of its declared goals or objectives and so specify prior to proceeding. Nothing in this act shall preclude the agency from using standard purchasing procedures. In the event the board elects to exercise an exemption, it shall transmit notice of its decision to the department of finance and administration and the department of general services.

#### SECTION 11.

(a) The authority may continue the regional tourism development grant program to assist the development of regional plans for tourism promotion and coordination as provided in Tennessee Code Annotated, Section 4-3-2207.

(b) Tennessee Code Annotated, Section 4-3-2207 is amended by deleting the last line of subsection (b) and substituting instead the words "of such programs" and by deleting the language "Section 4-3-2204, Section 4-03-2206" and the language "and Section 4-3-2208" from both subsections (c) and (e) thereof.

(c) Tennessee Code Annotated, Section 4-3-2207 is further amended by deleting the words "commissioner of tourist development" from subsections (c), (d), (e), (f), and (g) and substituting instead the words "chief executive officer"; and by deleting from subsection (g) the words "tourism division" and substituting instead the word "authority".

SECTION 12. Tennessee Code Annotated, Sections 4-3-2201 through 4-3-2206, inclusive, and 4-3-2208 are repealed.

SECTION 13. This act shall take effect July 1, 2003, the public welfare requiring it.